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4 BEFORE THE INSURANCE COMMISSIONER
5 OF THE STATE OF WASHINGTON

6 In the Matter of

No. G02-45

7 THE APPLICATION REGARDING
8 THE CONVERSION AND
9 ACQUISITION OF CONTROL OF
10 PREMIERA BLUE CROSS AND
ITS AFFILIATES

PRE-FILED DIRECT TESTIMONY
OF JONATHAN KOPLOVITZ

11 I, Jonathan Koplovitz, do hereby declare that the following facts are personally
12 known to me and, if called upon to do so, I would testify to them.

13 1. I am now, and at all times pertinent herein was, a citizen of the United
14 States and a resident of the State of New York, over the age of eighteen (18) years, and
15 competent to testify in a court of law.

16 2. I am a managing director of The Blackstone Group L.P. (Blackstone).
17 Blackstone contracted with the OIC Staff to assist in the analysis and evaluation of the
18 application submitted by Premiera.

19 3. I have attached to this instrument as Exhibit "S-1" a copy of my current
20 curriculum vitae that summarizes my credentials and expertise.

21 4. In connection with Blackstone's obligations under its contract with the
22 OIC Staff, I participated in preparing several reports pertaining to my areas of expertise
23 which contain my opinions and conclusions. I have attached to this instrument the
24 following documents containing my opinions and conclusions:

1 a. Exhibit "S-2" -- a copy of a report dated October 27, 2003, entitled
2 "Report on Valuation and Fairness of the Proposed Conversion," in the preparation of
3 which I participated.

4 b. Exhibit "S-3" -- a copy of a supplemental report dated November 24,
5 2003, relating to Premera's proposed stock ownership plan and entitled "Review of
6 Form A Exhibit G-10 and Equity Incentive Plan," in the preparation of which I
7 participated.

8 c. Exhibit "S-4" -- a copy of a supplemental report dated February 27, 2004,
9 entitled "Update Report on Valuation and Fairness of the Proposed Conversion." This
10 supplemental report, in the preparation of which I participated, takes into consideration
11 Premera's revisions to its Form A Statement that were submitted on February 5, 2004.

12 d. Exhibit "S-5" -- a copy of a report dated August 1, 2003, entitled
13 "Discussion Materials: Allocation Between Washington and Alaska," concerning the
14 allocation of consideration between the proposed charitable organizations of the State
15 of Washington and the State of Alaska. I participated in the preparation of Exhibit "S-
16 5."

17 e. Exhibit "S-6" -- a copy of a report dated March 30, 2004, entitled
18 "Updated Discussion Materials: Allocation Between Washington and Alaska" that
19 comprises an update of the underlying data contained in Exhibit "S-5." I participated in
20 the preparation of Exhibit "S-6."


21 5. My primary responsibility in the preparation of these reports was in
22 managing the business case and valuation portions of the reports attached as Exhibits S-
23 2 and S-4, as well as the overall contents of the reports attached as Exhibits S-5 and
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1 S-6. My secondary responsibility was in managing the transaction document and
2 equity compensation portions of the reports attached as Exhibits S-2, S-3 and S-4.

3 6. Exhibits S-1 through S-6 are incorporated herein as if set forth verbatim.
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5 I declare under penalty of perjury under the laws of the State of Washington
6 that the foregoing is true and correct to the best of my knowledge and belief.

7 Dated March 30, 2004 at New York, New York.
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11 JONATHAN KOPLOVITZ
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